

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
NEWSCO INTERNATIONAL ENERGY	§	Case No. 19-36767 (DRJ)
SERVICES USA INC.,	§	
Debtor.	§	

**DEBTOR’S AMENDED EMERGENCY MOTION TO SELL EXCESS EQUIPMENT
FREE AND CLEAR OF LIENS**

EMERGENCY RELIEF HAS BEEN REQUESTED. A HEARING WILL BE CONDUCTED ON THIS MATTER ON TUESDAY, MARCH 24, 2020 AT 1:30 PM IN COURTROOM 400, 4TH FLOOR, 515 RUSK, HOUSTON, TX 77002. IF YOU OBJECT TO THE RELIEF REQUESTED OR YOU BELIEVE THAT EMERGENCY CONSIDERATION IS NOT WARRANTED, YOU MUST EITHER APPEAR AT THE HEARING OR FILE A WRITTEN RESPONSE PRIOR TO THE HEARING. OTHERWISE, THE COURT MAY TREAT THE PLEADING AS UPOPOSED AND GRANT THE RELIEF REQUESTED.

RELIEF IS REQUESTED NOT LATER THAN MARCH 24, 2020.

NOW COMES Newsco International Energy Services USA, Inc., the above-captioned Debtor and Debtor-in-Possession (“Debtor”) by and through its undersigned counsel, and files this its *Amended Emergency Motion to Sell Excess Equipment Free and Clear of Liens* (the “Motion”). In support of this Motion, the Debtor respectfully represents to this Court as follows:

Background

1. On December 4, 2019 (the “**Petition Date**”), Debtor filed a voluntary petition under Chapter 11 of the Bankruptcy Code. Debtor is operating its business and managing its property as debtor-in-possession pursuant to 11 U.S.C. §1107(a) and §1108.

Jurisdiction and Venue

2. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. §157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§1408 and 1409.

Relief Requested

3. Debtor seeks approval to sell or dispose of excess, obsolete and damaged equipment located in its Casper, Wyoming warehouse free and clear of liens, pursuant to 11 USC §§363(b) and 363(f). **Time is of the essence because, absent receiving an extension from the landlord, Debtor must vacate the premises by March 31, 2020.**

4. Prior to the initiation of the case, Debtor leased a 32,000 square foot office/warehouse facility in Casper, Wyoming at a cost of \$32,000 a month. The facility was historically used to store and lease downhole drilling equipment, but the continuation of that business became unviable, and the lease is burdensome to the estate. Accordingly, Debtor has sought and obtained this Court's approval to reject the lease. The rejection was made effective March 31, 2019 to give Debtor time to inventory and sell, move or dispose of the equipment, and vacate the premises.

5. Debtor has completed a detailed inventory of the equipment and has moved the valuable equipment to its Houston facility. The remainder of the equipment consists of equipment that is uneconomical to move, has been cannibalized for parts, or is damaged or obsolete.

6. Debtor sold or disposed of excess, obsolete or damaged equipment in the ordinary course of business prior to the initiation of this case. This situation involves the disposition of equipment in connection with the shutdown of an equipment warehouse. Such equipment contained in the warehouse is encumbered by a security agreement in favor of SouthStar Financial,

LLC to secure any shortfalls in its collection of purchased receivables pursuant to The *Interim Order Authorizing Debtor to Sell Accounts and Obtain Secured Post-Petition Financing and Setting Final Hearing* (Dkt. No. 14). So, Debtor is seeking approval to sell or dispose of the remaining equipment in Casper free and clear of all liens pursuant to 11 USC §§363(b) and 363(f).

7. Debtor proposes to sell all equipment on **Exhibit A** for the highest cash offer received by Debtor prior to the entry of an order approving this Motion. Debtor reached out to Ritchie Brothers auctioneers to have them auction the equipment. Ritchie Brothers declined. Debtor's personnel have been reaching out to potential buyers in the area and attempting to solicit potential offers. Casper, Wyoming is a small market, making it difficult to attract fair and reasonable offers. Debtor reserves the right to refuse any offers if, in the Debtor's business judgment, it is more cost-effective to move the equipment to Houston or elsewhere for storage or sale. For example, the costs of disassembling and moving the overhead cranes supports a sale at a substantial discount; whereas the Debtor's pickup truck can be transported to a different market for sale, if necessary, and the rotors on Exhibit A can be moved to Houston if offers are insufficient.

8. Debtor proposes to sell all the rotors, stators and motors on **Exhibit B** for scrap for a price based on weight and to dispose of any such items that cannot be sold for scrap. The motors have already been cannibalized for spare parts, while the rotors and stators are at the end of their useful life. As a result, the items set forth on Exhibit B have no value above scrap value.

9. If Debtor is unable to sell any of the items on Exhibits A and B, and or the cost of moving them is not cost-effective, in the Debtor's business judgment, Debtor proposes to discard such items.

WHEREFORE, Debtor respectfully requests that the Court grant the relief requested herein and such other and further relief as it deems just and proper.

Respectfully submitted,

By: /s/ Stephen A. Roberts

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**ATTORNEYS FOR DEBTOR NEWSCO
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USA, INC.**

CERTIFICATE OF SERVICE

The undersigned does hereby certify that a true and correct copy of the foregoing Amended Motion was served via CM/ECF to all parties entitled to such notice, and via U.S. first class mail or email to the parties listed below, as indicated, on March 13, 2020:

Debtor:

Newsco International
Energy Services USA Inc.
12029 Brittmoore Park Drive
Houston, TX 77041

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Internal Revenue Service
Centralized Insolvency Office
PO Box 7346
Philadelphia, PA 19101-7346

United States Attorney General
Department of Justice
950 Pennsylvania Avenue, N.W.
Washington, D.C. 20530

Texas Workforce Commission
TWC Building – Regulatory Integrity Division
101 East 15th Street
Austin, TX 78778

Wyoming Secretary of State
Business Division
Herschler Building East
122 W. 25th St., Ste 101
Cheyenne, WY 82002-0020

Counsel for Debtor:

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United States Attorney, Civil Process Clerk
1000 Louisiana Street #2300
Houston, TX 77002

Texas Comptroller of Public Accounts
Revenue Accounting Division – Bankruptcy
Section
PO Box 13528 Capitol Station
Austin, TX 78711

Wyoming Dept. of Workforce Services
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Cheyenne, WY 82002

Top Twenty Unsecured Creditors:

Abaco Drilling Technologies (Basin Tek)
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Houston, TX 77073
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(Committee Member)

Gator Technologies
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mleblanc@gatortechnologies.net
(Committee Member)

Phoenix Technology Services
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Midland, TX 79705
bphillips@phxtech.com
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4820 Cleveland Street
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Park City Drilling
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bferguson@parkcitydt.com
(Committee Member)

IAE International, Inc.
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Houston, TX 77014
Dave.howe@iaeintl.com
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Lafayette, LA 70598-0962
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3468 Schlager Road
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Hardbanding and Fabrication
PO Box 51563
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Bico Drilling Tools
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Houston, TX 77032
Jay.chatha@bicodrilling.com

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2895 46th Ave North
St. Petersburg, FL 33714
seanl@extremecoatings.net

Stabil Drill
PO Box 81548
Lafayette, LA 70598
Monica.leblanc@stabildrill.com

JPI, LLC
4021 W 39th Street
Casper, WY 82604
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Paradigm
5707 South 1788
Midland, TX 79706
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Secured Lender:
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c/o Lindsey W. Cooper Jr.
The Law Offices of L.W. Cooper Jr.
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/s/ Stephen A. Roberts

Stephen A. Roberts

Exhibit A
Equipment to be Sold

3/6/2020

NBV- Net book value,

FLV=Forced Liquidation Value per Gordon Bros Equipment Appraisal 2/21/19

SN	Description	NBV	FLV
31525	Overhead Crane System + Install-South Bridge	14981.8	35000
31526	Overhead Crane System + Install-North Bridge	15315.77	27500
B/C Systems	Bench/Cabinet Systems	#N/A	1000
B/C Systems	Bench/Cabinet Systems	#N/A	1000
B/C Systems	Bench/Cabinet Systems	#N/A	1000
B/C Systems	Bench/Cabinet Systems	#N/A	1000
341847-13	PORT-A-COOL FAN	534.9	1000
Core 6/7-9	Stator Core tool	1319.31	1000
G-159876	FORK LIFT	0	5000
No SN	3 Racks (decarberation w/induction teeth)	1739.82	500
No SN	4 Racks	1739.82	500
NO SN	Model 1455N 4.0 GPM 3000 PSI Hotsy	1739.82	500
CA1687047B	QSI-140, 30HP Compressor w/integrated dryer	#N/A	6000
SN D11386	GAUGEMAKER STATOR GUAGE LAPTOP	0	1500
SO7	Preowned Monarch Heavy Duty Engine Lathe	3654.21	6000
5NKGU3223DP007337	HEFTY GOOSENECK TRAILER 20K GVWR	#N/A	4000
612259	ROTOR GUAGE	638.68	1000
612960	ROTOR GUAGE	638.68	1000
612961	ROTOR GUAGE	638.68	1000
GF13020362	Wohler VIS 350 Video Inspection Camera	2463.15	1500
SN D121386	WAND	0	20
31	Oxygen Cylinder Containment Rack	#N/A	300
319354	Jib Crane - 1 Ton	1017.47	TBD
9070919	Lathe	18646.34	15000
13444890	Dake Press	#N/A	TBD
CA1687047	Quincy Qsi-140 Compressor	#N/A	5000
No SN: CJZ400	Breakout Machines	#N/A	50000
No SN: CJZQZ-II 360	Break Out Machine	#N/A	50000
3C6TD5HT1CG210417	2012 Dodge 2500 Crew Cab Pickup, 68,882 Miles 4-Wheel Drive	#N/A	13000
Office 072215	Furnitures & Fixtures	26.61	#N/A

Office 11221-001	Furnitures & Fixtures	0	#N/A
Office 131985	Furnitures & Fixtures	6335.43	#N/A
Office 132075	Furnitures & Fixtures	3495.91	#N/A
Office 5418	Furnitures & Fixtures	29.79	#N/A
Office 5419	Furnitures & Fixtures	15.81	#N/A
Office 5954	Furnitures & Fixtures	0	#N/A
Office 6040	Furnitures & Fixtures	0	#N/A
Office BW901	Furnitures & Fixtures	0	#N/A
		\$74,972.00	\$ 230,320.00

Exhibit B
Equipment to be Sold for Scrap or Disposed Of

3/6/2020

NBV- Net book value, FLV=Forced Liquidation Value per Gordon Bros Equipment Appraisal 2/21/19

SN	Description	Size	Operational Status	NBV	FLV
NIM500270	Motor	5	Cannibalized	0	5630
NIM500271	Motor	5	Cannibalized	0	5630
NIM500272	Motor	5	Cannibalized	0	5630
NIM500348	Motor	5	Cannibalized	0	5630
NIM500349	Motor	5	Cannibalized	0	5630
NIM500362	Motor	5	Cannibalized	0	5630
NIM500367	Motor	5	Cannibalized	673.49	5630
NIM500370	Motor	5	Cannibalized	673.49	5630
NIM500372	Motor	5	Cannibalized	673.49	5630
NIM500381	Motor	5	Cannibalized	0	5630
NIM500384	Motor	5	Cannibalized	0	5630
NIM500390	Motor	5	Cannibalized	127.32	5630
NIM500394	Motor	5	Cannibalized	127.32	5630
NIM500396	Motor	5	Cannibalized	127.32	5630
NIM500400	Motor	5	Cannibalized	673.49	6750
NIM500401	Motor	5	Cannibalized	673.49	6750
NIM650253	Motor	6.5	Cannibalized	0	#N/A
NIM675186	Motor	6.75	Cannibalized	0	8720
NIM675248	Motor	6.75	Cannibalized	#N/A	6210
NIM700302	Motor	7	Cannibalized	0	6210
NIM700355	Motor	7	Cannibalized	2415.81	6210
NIM700356	Motor	7	Cannibalized	0	6210
NIM700414	Motor	7	Cannibalized	2415.81	#N/A
NIM700415	Motor	7	Cannibalized	2415.81	#N/A
NIM700444	Motor	7	Cannibalized	#N/A	6210
NIM700445	Motor	7	Cannibalized	8449.16	4510
NIM700448	Motor	7	Cannibalized	10129.17	5400
NIM700450	Motor	7	Cannibalized	7407.81	3950
NIM800342	Motor	8	Cannibalized	216.84	8050
NIM800344	Motor	8	Cannibalized	873.62	7500
NIM800345	Motor	8	Cannibalized	872.99	7500
NIM500276	Motor	5	Cannibalized	0	#N/A
NIM500294	Motor	5	Cannibalized	0	#N/A
				\$ 38,946.43	\$169,000.00

Exhibit B (cont'd)
Equipment to be Sold for Scrap or Disposed Of

3/6/2020

NBV- Net book value, FLV=Forced Liquidation Value per
 Gordon Bros Equipment Appraisal 2/21/19

SN	Description	Size	Config	Operational Status	NBV	FLV
500679NBT880R90	Rotor	5	6790	Junk	0	6200
50067NBT420R90	Rotor	5	6790	Junk	0	6200
50056NR764S82EW	Stator	5	5682	Junk	5639.66	3000
50056NR785S83EW	Stator	5	5683	Junk	980.96	3000
50056NR794S83EW	Stator	5	5683	Junk	980.96	3000
50056NR795S83EW	Stator	5	5683	Junk	980.96	3000
50067NBT091S90	Stator	5	6790	Junk	980.96	2500
50067NBT093S90	Stator	5	6790	Junk	980.96	2500
50067NBT1002S90	Stator	5	6790	Junk	980.96	2540
50067NBT1014S9	Stator	5	6790	Junk	980.96	3050
50067NBT1017S9	Stator	5	6790	Junk	980.96	3050
50067NBT1130S9	Stator	5	6790	Junk	980.96	2500
50067NBT1159S9	Stator	5	6790	Junk	3226.58	3300
50067NBT1160S9	Stator	5	6790	Junk	3226.58	3300
50067NBT1168S9	Stator	5	6790	Junk	3226.58	3300
50067NBT1188S90	Stator	5	6790	Junk	3226.58	3300
50067NBT904S90	Stator	5	6790	Junk	0	3300
50067NBT939S9	Stator	5	6790	Junk	0	3300
50067NBT941S9	Stator	5	6790	Junk	0	3960
50067NBT991S9	Stator	5	6790	Junk	2276.84	2880
50067NBT992S9	Stator	5	6790	Junk	0	3300
50078NBT095S5	Stator	5	7850	Junk	1640.67	2880
50078NBT1066S38	Stator	5	7838	Junk	1640.67	3050
50078NBT1067S38	Stator	5	7838	Junk	1640.67	3050
50078NMF925S64	Stator	5	7864	Junk	0	3300
50078NR814S64	Stator	5	7864	Junk	0	3300
50078NR818S83EW	Stator	5	7883	Junk	0	3960
50078NR823S64	Stator	5	7864	Junk	0	3300
50078NR882S64	Stator	5	7864	Junk	0	4570
65078NBT080S50	Stator	6.5	7850	Junk	0	2880
65078NBT081S50	Stator	6.5	7850	Junk	0	2880
65078NBT868S33	Stator	6.5	7833	Junk	0	2880

65078NDD866S48	Stator	6.5	7848	Junk	0	2880
65078NPV1254S29	Stator	6.5	7829	Junk	0	2880
65078NWF078S30	Stator	6.5	7830	Junk	0	2880
65078NWF662S30	Stator	6.5	7830	Junk	0	2880
65078NWF762S3SL	Stator	6.5	7830	Junk	0	2880
6508PV354S29	Stator	6.5	7829	Junk	0	2880
6508PV378S29	Stator	6.5	7829	Junk	0	2880
6508PV439S29	Stator	6.5	7829	Junk	0	2880
6508PV442S29	Stator	6.5	7829	Junk	0	2880
6508PV57S30	Stator	6.5	7830	Junk	0	2880
6508WE094S29	Stator	6.5	7829	Junk	0	2880
6508WF595S30SL	Stator	6.5	7830	Junk	0	2880
67567NPV860S5	Stator	6.75	6750	Junk	0	2880
67578NBT009S50	Stator	6.75	7850	Junk	0	2880
67578NBT1082S57	Stator	6.75	7857	Junk	726.14	#N/A
67578NWF005S57	Stator	6.75	7857	Junk	726.14	2880
67578NWF1201S5	Stator	6.75	7850	Junk	0	3750
67578NWF840S5	Stator	6.75	7850	Junk	697.81	2880
67578NWF841S5	Stator	6.75	7850	Junk	697.81	2880
67578NWF843S5	Stator	6.75	7850	Junk	697.81	2880
80078NWF1103S4	Stator	8	7840	Junk	0	3750
50067NBT089S9	Stator	5	6790	Junk	980.96	2500
50067NBT095S9	Stator	5	6790	Junk	980.96	2500
50067NBT997S9	Stator	5	6790	Junk	0	3300
50067NBT1015S9	Stator	5	6790	Junk	8805.13	#N/A
65078NBT873S5	Stator	6.5	7850	Junk	0	#N/A
6508DD352S30NNM174 2	Stator	6.5	7830	Junk	0	#N/A
6508PV295S30	Stator	6.5	7830	Junk	0	#N/A
50067NBT990S90	Stator	5		Junk	#N/A	3300
50067NBT1097S90	Stator	5	6790	Junk	8805.13	#N/A
67578NWF761S57	Stator	6.75	7857	Junk	726.14	#N/A
					\$ 58,417.50	\$ 177,470.00